

13 November 1963

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: H. R. 8000 - Interest Equalization Tax Act

1. This memorandum is for information only.
2. Attached is a rather detailed analysis of H. R. 8000 prepared in this office. Also attached are the printed hearings on this bill. This is an Administration measure to stem the outflow of long-term capital from the U. S.
3. At the present time all hearings have been completed and it was planned that there be executive sessions this week looking toward a markup of the bill and reporting it out. It seems very likely the bill will probably pass the House after having been reported favorably but it is doubted that we will see any action on the Senate side this year. It should be noted that the effect desired by the legislation has in part already been achieved in that the additional tax will apply on acquisitions made after 18 July 1963 thus slowing the investment flow.
4. Also attached is an excerpt from The Washington Post commenting on this bill. From our sources in Treasury and on the Hill, we agree generally with the conclusions of this article.

s/ John S. Warner

JOHN S. WARNER
Legislative Counsel

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Atts. - 3

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